

Message Text

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ORIGIN PM-05

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-----057873 101731Z /47

R 101524Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY QUITO
INFO SECDEF WASHDC SA/DSAA
USMLO ECUADOR
DA WASH DC DAMO-SAA/DALO-SAC/DAMI-FL
CDR USASAC ALEX VA DRSAC-MM/LA
USCINCSO QUARRY HTS CZ SASA
CDR USASAAL FT AMADOR CZ MOLA/SA

C O N F I D E N T I A L STATE 061856

E.O. 11652: GDS

TAGS: MASS, EC

SUBJECT: GOE REQUEST FOR SPECIAL PRICE AND EARLY DELIVERY
OF CHAPARRAL/VULCAN

REFS: A. QUITO 1082 (DTG 172315Z FEB 78)
B. QUITO 1212 (DTG 242240Z FEB 78)
C. US ARMY CHAPARRAL/VULCAN SURVEY REPORT FOR THE
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GOVERNMENT OF ECUADOR JANUARY 1978 (NOTAL)
D. MEETING 3 MARCH 78 BETW MR. CORR, CHARGE D'AFFAIRES
AMEMB QUITO AND MR. VIOLETTE, DIRECTOR, OPERATIONS
DIRECTORATE, WITH REPS FROM OASD(ISA), STATE AND DA

1. THIS IS IN RESPONSE TO REF A WHICH REQUESTED SPECIAL
CONSIDERATION FOR A REDUCED PRICE AND EXPEDITIOUS

DELIVERY OF A COMBINATION CHAPARRAL/VULCAN AIR DEFENSE
SYSTEM FOR ECUADOR.

2. THE USG IS PREPARED TO PROVIDE VULCAN/CHAPARRAL
SYSTEMS TO ECUADOR; ACCELERATED DELIVERY IS NOT POSSIBLE,
HOWEVER, SINCE ALL HARDWARE IN CURRENT U.S. ARMY INVENTORY
IS COMMITTED TO USG REQUIREMENTS. LEAD TIME FOR CHAPARRAL
MISSILE IS EIGHTEEN (18) TO TWENTY FOUR (24) MONTHS.
PACING ITEMS ARE CHAPARRAL FIRE UNIT (LAUNCHER) AND
VULCAN SYSTEM FIRE UNITS. LEAD TIMES ARE APPROXIMATELY
THIRTY (30) MONTHS FOR CHAPARRAL LAUNCHER, THIRTY ONE (31)
MONTHS FOR TOWED VULCAN AND THIRTY SIX (36) MONTHS FOR
SELF-PROPELLED VULCAN.

3. A "SPECIAL" PRICE REDUCTION FOR ECUADOR IS NOT
POSSIBLE. FYI TUNISIA WAS NOT GIVEN A SPECIAL PRICE FOR
CHAPARRAL SYSTEM, RATHER A REPLACEMENT PRICE WAS CHARGED
IN ACCORDANCE WITH APPLICABLE LEGISLATION AND DOD
DIRECTIVES. PRICES FOR GOE WILL BE DEVELOPED IN SAME
MANNER. END FYI.

4. APPROXIMATE BUDGETARY PRICES FOR MAJOR ITEMS ARE AS
FOLLOWS:

A. CHAPARRAL FIRE UNIT: \$864K

B. CHAPARRAL MISSILE: \$59K

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C. VULCAN FIRE UNIT-SP: \$695.5K

D. VULCAN FIRE UNIT-TOWED \$443.8K

ABOVE PRICES DO NOT RPT NOT INCLUDE ANCILLARY EQUIPMENT,
SPARE PARTS, FOLLOW-ON SUPPORT, MAINTENANCE EQUIPMENT,
OR TRAINING.

5. PRODUCTION OF CHAPARRAL FIRE UNITS (LAUNCHERS) WILL
BE FROM A COLD PRODUCTION BASE REQUIRING SOME START UP
COSTS. CURRENT CHAPARRAL MISSILE PRODUCTION IS DUE TO
BE COMPLETED IN JUNE 1980; ACCEPTANCE OF AN LOA BY
ECUADOR IS REQUIRED, THEREFORE, NLT SEPTEMBER 78 TO
ENSURE WARM MISSILE PRODUCTION BASE. CONGRESSIONAL
REVIEW REQUIRED PRIOR TO RELEASE OF LOA. WE DO NOT
UNDERSTAND BASIS FOR CALCULATION OF QUANTITY OF MISSILES
LISTED IN REF B, PARAS 2 AND 3. REQUEST YOU FURNISH
INFO AS TO PLANNING FIGURE USED FOR NUMBER OF MISSILES
REQUIRED PER FIRE UNIT AND HOW MANY MISSILES ARE REQUIRED
FOR ANNUAL SERVICE PRACTICE (ASP). IT IS NOT
KNOWN AT THIS TIME WHETHER THERE WILL BE ANY ADDI-
TIONAL MISSILE BUYS. ECUADOR MAY WISH TO CONSIDER AN
INCREASED BUY OF MISSILES TO COVER ANTICIPATED ASP

REQUIREMENTS SO AS TO TAKE ADVANTAGE OF A WARM PRODUCTION
BASE.

6. TRAINING LEAD TIME MUST BE ADDRESSED EARLY TO ENSURE
THAT QUALIFIED PERSONNEL ARE AVAILABLE WHEN FIRST FIRE

UNITS ARE DELIVERED. HOWEVER, TRNG REQUIREMENTS CAN BE
ADDRESSED ONLY AFTER ORGANIZATION, MAINTENANCE/SUPPLY,
COMMAND/CONTROL AND EMPLOYMENT CONCEPTS HAVE BEEN
ESTABLISHED. AS AGREED BY CORR DURING MEETING AT DOD
(REF D), SERVICES OF A SPECIAL SURVEY TEAM AS RECOMMENDED
BY REF C WILL BE ADDED AS SEPARATE LINE ITEM TO TWO LOAS

CURRENTLY BEING PREPARED BY DA. SURVEY TEAM IS OF UTMOST
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IMPORTANCE SO THAT A COMPREHENSIVE PLAN CAN BE DEVELOPED
WHICH WILL ENSURE CONSIDERATION OF ALL ASPECTS OF A
TOTAL AIR DEFENSE PACKAGE. END RESULT WILL BE A TIME
PHASED INTRODUCTION OF CHAPARRAL-VULCAN UNITS INTO
ECUADOREAN ARMED FORCES. THIS WILL ALSO PROVIDE FOR
EARLIEST POSSIBLE BATTERY/BATTALION OPERATIONAL READY
DATES WITH ADEQUATE DIRECT/GENERAL SUPPORT MAINTENANCE
CAPABILITY TO ENSURE SUSTAINABILITY.

7. WITH REGARD TO PROPOSED ECUADOREAN COMMISSION
VISIT TO WASH (REF A) AND AS AGREED DURING MTG NOTED
IN REF D, DOD IS PREPARED TO RECEIVE, AT ECUADOREAN
EXPENSE, A VISIT BY ECUADOREAN OFFICIALS TO US. FYI
STRONGLY REQUEST THAT PRIOR TO ITS DEPARTURE, YOU MAKE
CLEAR TO VISITING DELEGATION THAT EARLY DELIVERY OF,
AND SPECIAL PRICES FOR, AIR DEFENSE SYSTEMS CANNOT BE
ACCOMMODATED END FYI. AS ALSO DISCUSSED, DA IS CURRENTLY
INVESTIGATING POSSIBILITY OF COMMISSION OBSERVING A
CHAPARRAL FIRING DEMONSTRATION. DA WILL ADVISE.

8. WHEN POINTED OUT TO CORR DURING REF D MTG THAT
NOMENCLATURE FOR CHAPARRAL MISSILES AS SUBMITTED IN
PARAS 2D AND 3D OF REF B WAS INCORRECT, HE ADVISED IT
SHOULD HAVE BEEN MIM-72A REPEAT A. MIM-72C IS IMPROVED
CHAPARRAL MISSILE WHICH IS NOT RELEASABLE TO ECUADOR.
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